

OPEN MEETING AGENDA ITEM



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December 18, 2008

The Honorable Lyn Farmer  
Arizona Corporation Commission  
1200 W. Washington  
Phoenix, AZ 85007-2927

RE: Docket No. E-01345A-08-0172

Dear Judge Farmer:

Enclosed please find my testimony in the above-referenced Arizona Public Service case.

If you have any questions or need any additional information, please let me know.

Sincerely,

Cynthia Zwick  
1940 E. Luke Avenue  
Phoenix, AZ 85016

Arizona Corporation Commission  
**DOCKETED**

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AZ CORP COMMISSION  
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**BEFORE THE ARIZONA CORPORATION COMMISSION**

**COMMISSIONERS**

MIKE GLEASON, Chairman

WILLIAM A. MUNDELL

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GARY PIERCE

IN THE MATTER OF THE APPLICATION  
OF ARIZONA PUBLIC SERVICE COMPANY  
FOR A HEARING TO DETERMINE THE FAIR  
VALUE OF THE UTILITY PROPERTY OF THE  
COMPANY FOR RATEMAKING PURPOSES,  
TO FIX A JUST AND REASONABLE RATE OF  
RETURN THEREON, AND TO APPROVE RATE  
SCHEDULES DESIGNED TO DEVELOP SUCH  
RETURN.

DOCKET NO. E-01345A-08-0172

**DIRECT TESTIMONY OF CYNTHIA ZWICK**

State your name and address.

My name is Cynthia Zwick and my address is 1940 E. Luke Avenue, Phoenix, AZ  
85016.

**Q. What is the purpose of your testimony?**

A. I am testifying for several purposes: 1) to urge the Commission to hold low-income residential customers harmless in this rate case, as was requested by the Company in the Interim rate case; 2) to urge the Commission to increase the E-3 and E-4 discounts to an amount commensurate with any residential rate increase the Company may be awarded; 3) to modify the E-3, E-4 and bill assistance and weatherization program language to track the LIHEAP eligibility criteria; 4) to increase the number of customers

participating in the E-3 and E-4 discount programs; 5) that APS modify its policy related to the assessment of deposits for delinquent customers, specifically customers enrolled in the E-3 and E-4 rates; and 6) to increase the marketing of, and thereby the enrollment in the E-3 and E-4 discount programs.

**Q. What is your experience with low-income issues?**

A. I am employed as a low-income advocate, a position I have held since 2003, and have intervened in a number of rate cases in order to ensure that the interests and impact of rate increases on the low-income community are heard and appreciated.

**Q. Would you please describe the low-income community in Arizona?**

A. A year or two ago, my answer would have been a bit different than today, however, the definition of a person living in poverty is an individual earning \$10,400 or less annually, or a family of four earning \$21,200 or less annually. For purposes of this testimony I will be referencing families living at 150% of poverty, because most of the programs assisting low-income families have established this baseline eligibility. At 150% of poverty, an individual earns \$15,600 annually and a family of four, \$31,800.

According to the 2007 U.S. Census Bureau data, in Arizona today, there are 858,973 individuals living at 100% of poverty or below, or 14.2% of the total Arizona population. At 150% of poverty, there are approximately 1,083,801 individuals, or 17% of the population.

The reason I state above that my answer would have been different a year ago, is that due to the failing economy, the number of families that are finding themselves in need of assistance is growing daily, and the face of poverty is changing in Arizona. These numbers are not as easily quantifiable, but they are no less disturbing.

**Q. What is the extent of poverty in the APS service territory?**

A. According to the 2007 census, there were 6,100,000 people living in Arizona, 1,083,801 of which were living at 150% of the federal poverty level. By APS service territory and by county these numbers break down as follows:

<u>County</u>	<u># of people at 150% poverty</u>
Cochise	32,497
Coconino	33,219
Gila	15,508
La Paz	6,808
Maricopa	615,279
Navajo	41,418
Pima	203,574
Pinal	45,590
Yavapai	37,124
Yuma	52,784

**Q. Can you explain in what manner the current State economy is affecting our community, and therefore the APS rate payer?**

A. There are new reports in the local and national media every day articulating the depth and breadth of the problems related to a failing State and Federal economy. The Arizona Republic reported on December 11, 2008 that, "Arizona's economy is in the worst shape of any state in the West – and its job market has seen the second-largest losses in the nation, behind Rhode Island – because of major overbuilding of homes in 2005-2006 and weak job growth today," according to Lee McPheters, an economics professor and director of JPMorgan Chase Economic Outlook Center at Arizona State University.<sup>1</sup>

According to Arizona Department of Commerce website ([www.workforceaz.gov](http://www.workforceaz.gov)) unemployment in Arizona in October 2008 is 6.1%, compared to 3.7% in September 2007, Arizona having lost 59,200 jobs during that time period. In November 2008,

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<sup>1</sup> The Arizona Republic, November 11, 2008, "Economic Forecast: Long, slow recover."

unemployment insurance applications averaged 9200 a week, with a high in November during the week of November 17<sup>th</sup>, of 11,502 applications.<sup>2</sup>

Requests for child care assistance are up 5.4%, with the median cost for child care ranging from \$463 per month for pre-school aged children and older to \$737 a month for children under the age of one year. One in five Arizonans lacked health insurance coverage for at least some portion of 2008. For working adults between the ages of 18 and 64, the number goes up to 25%.<sup>3</sup>

According to the U.S. Conference of Mayors 2008 Status Report on Hunger & Homelessness,<sup>4</sup> during the last year, the number of requests for food assistance in Arizona has increased 35%. "Providers are reporting a significant increase in the number of new persons seeking assistance, especially among working individuals and families. Moreover, there has been an increase in the frequency with which persons access food assistance programs." The Food Research and Action Center reports that food insecurity, or the inability to provide sufficient amounts of food for your family, was 12% in Arizona on average, between 2005-2007 (18<sup>th</sup> in the country), with very low food security at 4.6% (14<sup>th</sup> in the country.)<sup>5</sup>

Utilities in Arizona are also seeing an increase in the number of customers seeking assistance, as well as the number of customers being disconnected. APS executive staff reported a 40% increase in the number of credit arrangements being made with customers, a 14% increase in the number of door hangers being left for customers, a 7.2% increase in the number of disconnections during the first nine months of the year for a total of 45,000 disconnections through September 2008. Of the customers that have their electricity turned off, 55% are reconnected. The Company states those customers may come back, but those accounts will ultimately go into the closed account collection process, and may eventually be written off, fuelling future rate increases.

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<sup>2</sup> Arizona Republic, November 8, 2008, "Surge in Arizona unemployment claims delaying benefits."

<sup>3</sup> PAFCO Annual Meeting Presentation, December 2, 2008

<sup>4</sup> U.S. Conference of Mayors 2008 Status Report on Hunger & Homelessness

<sup>5</sup> Food Research and Action Center (FRAC) State of the States 2008, [www.frac.org](http://www.frac.org), Arizona

The Community Action Agencies which provide the direct bill assistance support to households throughout the State are seeing increases as high as 60% in the number of families seeking assistance. One community action agency reports that in the month of August 2008, their Family Service Centers received 15,835 calls for assistance. This number does not include calls that did not get through the automated phone system. Of the 15,835 calls, 12,709 requested an appointment. Of the 12,709, 1,034 households received appointments, and of those, due to available resources, 248 received help with their utilities. Another 144 received emergency appointments, which could have included utility assistance. Another rural community action agency turned away 5734 families between July and November 2008, many of whom were seeking utility assistance. During the summer months when utility bills are at their highest, this Agency was receiving as many as 20 crisis calls a day from families in imminent danger of the loss of utility service.

This volume is reflective of all Agencies providing bill assistance throughout Arizona. The need far exceeds available resources.

**Q. Arizona recently received additional LIHEAP funding. Will that take care of the problem for families?**

A. No, unfortunately it will not. During federal fiscal year 2008, Arizona received a total of \$6.1 million dollars in LIHEAP funding. In November, 2008 we received notice that Arizona would be receiving \$31 million in federal LIHEAP dollars. Arizona continues to be the least funded per capita of any state in the country, so even though we received a significant increase in funding, out of an eligible population of approximately 500,000 households, agencies anticipate being able to serve an additional 50,000 households for a total number of households served of 78,000. This represents an ability to serve approximately 16% of the eligible households.

Finally, throughout Arizona, the increased number of calls and the increased number of families seeking assistance has changed. While there is a certain demographic that needs

support on an ongoing basis, the very low income community, the new demand has been created by families who for the first time in their lives are seeking help. The majority of the increase in calls and requests for help are coming from families who have never asked for or received help before. Due to circumstances in their lives, losing their jobs, losing their homes, experiencing an illness in their family without adequate insurance coverage along with the rising cost of services, more families have been forced to seek help in order to feed their families.

**Q. Have customers commented in this case about the requested increase?**

A. Yes, in fact there are a large number of customer comments that have been filed in this case – 307 comments as of this filing. After reviewing them, there are a couple of trends that emerge. Seventy-one customers indicated that a rate increase now doesn't feel justified with the economy as it is. Ninety-two customers indicate they can't afford their bills and encourage APS to cut their waste to save money. Another thirty-four customers indicate it's difficult for customers on fixed incomes to pay their electric bill. Several of the customer comments are attached to this testimony for review.

**Q. Are there other options for serving more low-income APS customers?**

A. Yes. When the State received the additional LIHEAP funding, the community action agencies and State Department of Economic Security staff, agreed to increase the eligibility for these funds to 200% of poverty from 150% of poverty. This was done to be able to serve more families in need of assistance but who would be turned away if they did not meet the lower income threshold. This was also done in order to respond to the significantly increased need being experienced throughout Arizona, and is consistent with federal legislation. I would like to see the income eligibility language for the E-3 and E-4 discounts, as well as the Bill Assistance and Weatherization programs track the LIHEAP eligibility language so that as the need increases and funding is available, more families may receive the help they so desperately need.

**Q. What is the specific language you would like to see used?**

A. The language in each program or rate could simply state, "customers meeting the LIHEAP income eligibility are also eligible for the APS E-3 and E-4 discounts, Bill Assistance and Weatherization programs."

**Q. What is the current enrollment in APS' E-3 discount program?**

A. There are currently 48,708 customers enrolled in the E-3 discount rate. If we use the current poverty data for the state, and recognize that there are 14.2% of Arizonans living in poverty, it would follow that of the approximately 966,013 APS customers, 137,000 customers are eligible for the discount program.

**Q. Is the number of E-3 enrolled customers higher or lower than past years?**

A. There are significantly more customers enrolled in the E-3 discount program this year. The average number of customers enrolled in the E-3 discount program in 2005 was 25,602 a month, 36,469 in 2006, 44,195 in 2007 and in the first ten months of 2008, 46,825 customers.

**Q. What can the Arizona Corporation Commission do to increase enrollment in the E-3 and E-4 discount rates?**

A. There are two things that can be done. First, the Commission may require enhanced outreach and enrollment programs, making the availability of these programs much more visible to the target customer base.

The second thing that may be done is to create an automatic enrollment program for all customers receiving LIHEAP, Utility, Repair Replacement and Deposit and/or Home Energy Assistance Funds. All of these programs share an income eligibility standard and are easy to track within a system.



**Q. Are there other actions that could be taken to increase awareness and enrollment in the discount programs?**

A. Additional outreach or marketing to customers about the availability of the discount programs would definitely help. Targeted marketing to customers living in specific zip codes that have been determined to fit the "low-income" demographic, public service announcements on the radio, in newspapers and even on TV would help increase awareness about the availability of these important programs.

**Q. Is there any reason APS management would be opposed to the automatic enrollment requirement for the customers eligible for the programs listed above.**

A. APS management may object to the significant increase in enrollment because increased enrollment will likely result in the company being required to underwrite the savings realized unless there is a mechanism created within the rate structure that would allow for the recovery of the realized savings on an ongoing basis. While I believe the Company should be able to bear a portion of the savings to the low-income family, I also believe that an ability to recover these costs through rates is reasonable.

**Q. Does APS receive funding from other sources to assist customers with their APS bills, and if so from what sources?**

A. Yes, in fact APS received approximately \$2,380,918 in bill assistance and deposit payments from just the community action agencies during SFY 2008. Approximately \$209,452 of this money was from its own bill assistance program.

The funding flows to APS from LIHEAP, Home Energy Assistance funds, and URRD funds. Additionally, and not included in the \$2,380,918 amount already mentioned, funding flows to APS from customer contributions, or SHARE funds that are administered by the Salvation Army, and private donations that are administered by St. Vincent de Paul.

**Q. You have indicated that you are also asking APS to modify its deposit policy for delinquent customers enrolled in the E-3 and E-4 discount programs. Why is this important?**

A. The only customers enrolled in these two rate classes are low-income customers. If they become two or three months delinquent on their bills, it is most likely that it is because their expenses exceed their income, and they are making choices about what bills to pay. Assessing a deposit that is two times their average bill, and if their power is disconnected assessing a \$75 reconnect fee, only puts that customer further behind and makes it impossible for payment to be made in order to prevent disconnection or restore power. Charging a family who cannot pay a bill more to maintain or restore service is not only counterintuitive, it is totally impractical.

**Q. Would you summarize what you are asking the Commission to approve in this case?**

A. Yes. Raising the rates on a class of customers who cannot pay their bills today, makes no practical sense for the customers or for the Company. As previously stated, I am requesting the following actions be taken. I am asking that the Commission: hold low-income residential customers harmless in this rate case; increase the E-3 and E-4 discounts to an amount commensurate with any residential rate increase the Company may be awarded; the discount and program eligibility language be modified to track the LIHEAP eligibility language and criteria; to provide meaningful increases in enrollment in the E-3 and E-4 discount programs among eligible customers; modify the deposit policy currently in place for customers currently enrolled and those who enroll in the discount programs in the future so that customers who become delinquent and are threatened with disconnections are provided a meaningful opportunity to pay their bills and avoid disconnection; and the increase the marketing of the discount programs among customers in order to increase participation.

**Q. Does this conclude your testimony?**

A. Yes it does, thank you.

## **Attachments**

1. "Economic forecast: Long, slow recovery," Betty Beard, Arizona Republic, November 11, 2008
2. "Surge in Arizona unemployment claims delaying benefits," Craig Harris, Arizona Republic, November 8, 2008
3. PAFCO Community Meeting Presentation
4. U.S. Conference of Mayors, 2008 Status Report on Hunger & Homelessness
5. Food Research and Action Center, State of States 2008, Arizona
6. Food Research and Action Center, Prevalence of Household-Level Food Insecurity and Very Low Food Security by State, 2005-2007, November 17, 2008
7. Customer Comments:
  - Claudia Matanyi
  - Constance A. Nuzzi
  - Dottie Martin
8. Cynthia Zwick Vitae

# Experts meet in Valley, say 2009 may be start of recovery

[42 comments](#) by **Betty Beard** - Dec. 11, 2008 12:00 AM  
The Arizona Republic

The state's economic slide will continue through the new year. A turnaround could begin sometime in 2009. Consumers, weary of living on edge, will start spending again. But how long until a full recovery? It may not come until 2011 or 2012.

That's one view of the future, at least, from the experts who offered their annual economic outlook Wednesday at the Phoenix Convention Center.

Other key findings and predictions:

- The recession is "extraordinarily deep and extraordinarily widespread," the most dangerous since the 1920s, said Joel Naroff, a Philadelphia economic forecaster.
- Arizona's economy is in the worst shape of any state in the West - and its job market has seen the second-largest losses in the nation, behind Rhode Island - because of major overbuilding of homes in 2005-06 and weak job growth today, said Lee McPheters, an economics professor and director of the JPMorgan Chase Economic Outlook Center at [Arizona State University](#).
- Still, this downturn isn't expected to become a full-on depression, said Rajnish Mehra, E.N. Basha Arizona Chair at ASU and a widely published economics expert. A lot of it is being driven by self-fulfilling fear, he added.

At last year's [Economic Forecast Lunch](#), also sponsored by JPMorgan Chase and ASU's W.P. Carey School of Business, experts had dour predictions for 2008, but no one knew then how bad things would get. This year, experts said they had been surprised at how quickly things worsened, especially after September's financial panic and subsequent credit freeze.

And although experts offered glimmers of hope for a recovery, they noted that the slide hasn't stopped yet.

"The economy is deteriorating very, very rapidly," McPheters said. "Our forecasts have been changing every month."

But Naroff, who has been honored by Bloomberg Business News, *USA Today* and ASU for being especially accurate, is more optimistic than many forecasters.

He said that because of falling energy prices, federal actions taken to calm the financial markets and President-elect Barack Obama's proposed stimulus package, the economy will show gains next year. And, at some point, consumers will get tired of being afraid and begin to spend again.

Mehra said that when he looked at recessions over the decades, each recession has been shorter and each expansion longer than the one before. Also, over the long term, the national gross domestic product has steadily improved. So, 2009 is unlikely to be like 1929, he said.

## **Jobs**

Arizona's job numbers have been falling monthly through most of the year. The latest job numbers, down 2.8 percent from a year ago, are the worst since 1976, McPheters said. He expects no growth in jobs next year.

The state went from being the nation's No. 1 job creator in 2006 to 49th this year, according to the U.S. Bureau of Labor Statistics.

Arizona's unemployment rate, which reached 6.1 percent in November, is likely to rise to at least 7 percent, McPheters said. But it has been worse, reaching 10 percent in 1976 and 1982.

The construction industry is expected to lose about 80,000 jobs, or about one-third, from its peak in 2006 by the end of next year. The brightest spot is that health care is gaining about 1,000 jobs a month, McPheters said.

## **Real estate**

The residential-housing market probably will recover faster than other real-estate sectors, such as office, industrial and retail, Scottsdale economist Elliott Pollack said. But the housing market is still three to four years away from full recovery, he said.

The problem is that there was a surplus of single-family homes built in 2005 and 2006 and there aren't enough people moving to the state, enough jobs being created or enough people confident enough to buy new homes.

Pollack estimates metro Phoenix has a housing surplus of 40,000 to 50,000. Tucson and Prescott also are suffering from an oversupply of homes, but the rest of the state is not, he said.

"My guess is that the residential market is not going to reach normal until 2012," he said.

At the same time the Valley is coping with too many houses, Arizona Public Service Co. has reported its lowest number of residential hookups since it began keeping records in the 1950s, an indication that in-migration has slowed dramatically.

Construction of offices, industrial buildings, apartments and retail space also has outpaced the demand, and construction is likely to slow down if not stop in a year or two, he said.

## **Retail**

Naroff said the lack of consumer confidence and spending is now a more serious problem than the ailing housing market. Consumer spending accounts for about two-thirds of the country's economy.

The Arizona Blue Chip Economic Forecast, a consensus of about 20 economic experts in the state, predicts retail sales will fall 3 percent this year in Arizona and increase only about 1 percent next year.

But eventually he and other experts expect that consumers will get tired of sacrificing and curtailing their purchases because of the dour economy.

"Once that psychology changes, I wouldn't be surprised in one year if growth will happen a lot faster than anyone expected," Naroff said.

December 15, 2008 |

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
## NEWS News

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### Surge in Ariz. unemployment claims delaying benefits

by Craig Harris - Nov. 8, 2008 12:00 AM  
The Arizona Republic

Arizonans losing their jobs in the economic downturn will have to wait nearly a month instead of the usual 10 days to receive their first unemployment benefits because of the surge in applicants and a lack of workers to process claims.

Unemployment claims have been rising all year. The state last week received 9,144 first-time unemployment claims - up more than 125 percent from the roughly 4,000 first-time claims filed in the same week a year earlier.

Claims in September, the last full month for which data is available, rose 40 percent over the number of claims in September 2007.

The state Department of Economic Security, which administers the federal unemployment program, acknowledged the problem. Employees are working overtime, and plans call for the state to add positions to help process the claims.

"We are working as fast as we can," Liz Barker, a DES spokeswoman, said Friday. "Our staff is working two to four hours of overtime a day and sometimes on Saturdays to get claims processed."

On Friday, a phone glitch prevented residents from making claims most of the day, Barker said.

She encouraged residents to use the department's Internet site, [www.azui.com](http://www.azui.com), to make claims, although the phone system was working by Friday evening.

The DES tried to get weekly unemployment benefits, which are capped at \$240 in Arizona, to residents within 10 business days, but it's now taking about four weeks.

Those who receive unemployment compensation through direct deposit in a bank account would receive several weeks of benefits in a lump sum if there is a delay, she said.

The DES will be adding eight employees during the next few weeks after hiring 70 in the past few months to handle additional claims, Barker said.

The new hires are exempt from the state's hiring freeze because funding comes from the federal government, she added.

Until more workers come on board, the delay is likely to continue as jobless claims continue to rise.

Experts say the unemployment rate in Arizona rose to 5.9 percent in September from 3.8 percent in September 2007 because of a struggling economy caused by a housing slowdown and sinking financial markets.

Arizona lost 59,200 jobs in that time, according to the U.S. Bureau of Labor Statistics.

In the same time span in metro Phoenix, the unemployment rate rose to 5.3 percent from 3.3 percent. Metro Phoenix lost 43,200 jobs from September 2007 to September

2008, according to federal statistics.

Nationally, the unemployment rate in October rose to 6.5 percent, up from 6.1 percent from the previous month, the Labor Department reported Friday.

State and local figures for October will be released in two weeks.

The country has lost 1.2 million jobs in the first 10 months of this year, while more than half the job losses occurred in the past three months, the government said.

Job losses were most severe in manufacturing, construction and service-related positions.

Some of the few bright spots were additional hires in mining and health care.

The federal unemployment rate is at its highest level since 1994. In Arizona, the highest unemployment rate in the past 30 years was 11.5 percent in February 1983, according to the state Commerce Department, which has predicted the state's economy won't improve until the end of 2009.

"When the federal economy tanks, it increases the demand for social services, which are administered at the state level," said Jeanine L'Ecuyer, a spokeswoman for Gov. Janet Napolitano. "The fondest wish would be that there be no wait at all, but we are not able to deliver."

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Valley woman helps unemployed get back in the workforce

**more video »**

More on this topic

## Unemployment benefits

**Who is eligible:** Displaced Arizona workers whose employers were required to pay unemployment insurance tax. (Most employers do.)

### Length of benefits:

Unemployed eligible workers typically receive up to 26 weeks of benefits, but Congress has extended that to 39 weeks.

**Amount of benefits:** Weekly benefits in Arizona range from \$60 to \$240 depending on wages when employed.

**How to apply:** To file for unemployment benefits, go to [www.azui.com](http://www.azui.com) or call 602-364-2722.

**Where does the money come from?:** Unemployment-insurance benefits are paid from a fund accumulated from taxes paid by employers.



## PAFCO Community Meeting Agenda

- Welcome and Introductions
- Current Situation as we know today
- Action Plans
- Closing

12/2/2008

PAFCO Community Meeting

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## PROTECTING ARIZONA'S FAMILY

- PAFCO is a non-profit coalition of health and human service agencies from all over Arizona.
- The Coalition was formed in 2001 to stop drastic budget cuts to health and human services and to promote health and human services funding.  
[www.pafcoalition.org](http://www.pafcoalition.org)
- *Thanks to member contributions, St. Luke's Health Initiatives and the McMiles Foundation for funding PAFCO Education Fund Health Care for All and Citizen Advocacy Unfinished Agenda training project.*

12/2/2008

PAFCO Community Meeting

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## PAFCO

- | <u>Principles</u>                                      | <u>Actions</u>                      |
|--|-------------------------------------|
| • Strength/power in our diversity                      | • State Legislative Budget Advocacy |
| • Common Message                                       | • Unfinished Agenda of Need         |
| • Non partisan   | • Health Care Reform Advocacy       |
| • Not allowing groups to be pitted against one another | • Federal Budget                    |

12/2/2008

PAFCO Community Meeting

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Environmental Scan – What’s Happening in National – State Scene

- **NATIONAL SCENE**
  - Election of Barak Obama/Joe Biden
  - Democratic Majorities in House and Senate
  - National Recession/Economic Meltdown
  - Two Wars
  - Health Care Crisis
  - Crumbling Infrastructure
  - Energy Crisis and Costs – Climate Change
  - Federal Bailouts

- **State/Local Scene**
  - Severe Economic Recession – worse!
  - State Budget Crisis/Huge State Revenue Deficits/Local Government Budget Deficits
  - Conservative Majorities in House and Senate – New Leadership
  - Change in Governor with Election in two years
  - History of tax cuts limiting revenue

12/2/2008

PAFCO Community Meeting

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Current Situation- State

- Special Session
- Transition to new Governor
- Changes in Legislature, committee chairs, and new members
- Loss of Champions in new legislature
- Huge Deficits with recession ongoing
- Inadequate Tax base
- Election in two years

- **National bailout possibilities.**
  - \$500 million to \$1 billion possibilities
  - Need to protect current programs and infrastructure so this is not diverted away from health and human services

12/2/2008

PAFCO Community Meeting

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Arizona’s Total Spending

Category	Percentage
AHCCCS	23%
Other Agencies	21%
K-12 Education	20%
Universities	12%
Economic Security	10%
Health Svs	6%
Corrections	4%
Unlabeled	4%

12/2/2008

PAFCO Community Meeting

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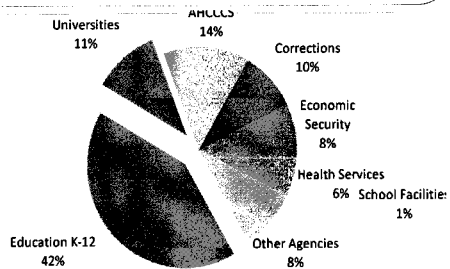
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### General Fund Spending

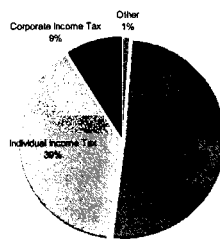


12/2/2008

PAFCO Community Meeting

7

### What is the General Fund?



12/2/2008

Source: Arizona JBC Appropriations Report, HIGHLIGHTS OF THE FY 2008  
PAFCO Community Meeting

8

### What Kinds of Taxes are There?

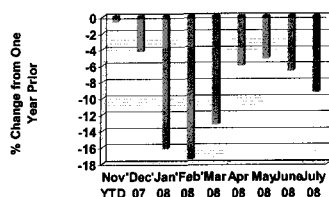
- Arizona Ranks 34<sup>th</sup> in Overall Taxes (State/Local)
- Sales taxes - make up 51% of the state's general fund – that's up 2% from last year.
- Property taxes - collected and used by local governments such as counties, school districts, and cities. There are very few property tax dollars that go into the General Fund.
- Income taxes - make up 48% of the general fund – 39% from individuals and 9% from corporations.

12/2/2008

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9

### Revenues Have Been Declining For Nearly a Year



Source: Joint Legislative Budget Committee staff  
12/2/2008

10

### CURRENT AND PROJECTED BUDGET DEFICITS How This Translates into \$

- FY 08 shortfall grew from \$970 million to \$1.2 billion
  - The FY 09 shortfall that was supposedly solved when the budget was put together was \$1.2 TO 1.7 billion SHORT.
  - Special Session will deal with part of 2009 up to about \$350 million plus.
- 2010 Could be \$2.3 to .....\$3billion
  - Options list includes things like:
    - Eliminating Kidscare and Kidscare Parents
    - Reduce some optional services in AHCCCS
    - Reduce CPS family services
    - Reduce Children Support Services
    - Eliminate Ticket to work
    - Reduce DDD rate increases
    - Reduce Childcare eligibility
    - Eliminate GA
    - Eliminate funding for Community health centers
    - Eliminate Alzheimer's Research funding
    - The OPTIONS list for 2010 goes on and on.

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### ASU Study - Hoffman-Rex report on tax cuts and economic impact.

*"The tax reductions of the last 15 years have been the main cause of the structural deficit, which also is the result of an outdated tax code that creates large cyclical swings in revenue and that causes revenue to grow more slowly than the pace of the overall economy. Many of the changes to the tax code during the last 15 years exacerbated these problems."*

- Tax law changes since 1993 cumulate to a decline in general fund revenues of about \$1.63 billion on a nominal basis and \$2.58 billion after adjusting for inflation.

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ASU Study - Hoffman-Rex report on tax cuts and economic impact.

*"Thus, the existing state general fund budget deficit as well as the underlying structural deficit cannot be blamed on excessive spending.*

*Instead, very aggressive tax cuts are the primary cause, with other shortcomings in the revenue system — increasingly cyclical revenues and revenue growth not keeping pace with economic growth — also contributing to the deficit."*

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### Safety Net Programs Needed More in Down Times

- Food Stamps caseload up 15.5%
- Unemployment Insurance claimants up 48.9%
- Child care assistance up 5.4%
- CPS reports up 3.6%
- AHCCCS enrollment at all time high
- Adult Protective Services investigations up 16.1%

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### Senate and House Leadership



- |  |   |
|--|---|
| <ul style="list-style-type: none"><li>• Senate – 30 members<ul style="list-style-type: none"><li>• 18 rep - 12 dem</li></ul></li><li>• President of the Senate</li><li>• Majority Leader</li><li>• Majority Whip</li><li>• Minority Leader</li><li>• Asst Minority Leader</li><li>• Minority Whip</li><li>• 13 committees +/-</li><li>• Membership and Chairs appointed by President</li></ul> | <ul style="list-style-type: none"><li>• House – 60 members<ul style="list-style-type: none"><li>• 35 rep -25 dem</li></ul></li><li>• Speaker of the House</li><li>• Majority Leader</li><li>• Majority Whip</li><li>• Minority Leader</li><li>• Asst Minority Leader</li><li>• Minority Whip</li><li>• 18 committees +/-</li><li>• Membership and Chairs appointed by Speaker</li></ul> |
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## Legislative Leadership - 2009

### NEW HOUSE LEADERSHIP

**House Majority:**  
Speaker - Kirk Adams  
Majority Leader - John McComish  
Majority Whip - Andy Tobin

**Minority Leadership**  
Majority Leader - David Lujan  
Assistant Minority Leader -  
Kristen Sinema  
Minority Whip - Chad Campbell

### NEW SENATE LEADERSHIP

**Senate Majority:**  
President - Bob Burns  
Majority Leader - Chuck Gray  
Assistant Majority Leader -  
Pamela Gorman

**Minority leadership**  
Minority Leader - Jorge Garcia  
Assistant Minority Leader -  
Rebecca Rios  
Minority Whip - Linda Lopez

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## Unfinished Agenda

- Introduction
  - The strengths and promises of Arizona
  - Quality of Life for all
  - Infrastructure for health and human services as critical to quality of life for all
- **FOCUS ON SOLUTIONS**, not just advocate whining.
- Overarching issues
  - Poverty
  - Workforce
  - Linkages among issues
  - Tax Reform – like elimination of tax exemptions.
- Workforce
- Women's Issues/Domestic Violence, et
- Child Welfare
- Child care -early care and education
- Health Care
- Public Health
- Disability
- Developmental Disability
- After School Programs
- Healthy Families
- Prevention of Family Violence
- Autism
- Aging
- Criminal Justice
- Juvenile Justice
- Substance Abuse
- Behavioral Health
- Poverty.
- Hunger.
- Homelessness
- What else needs to be on the agenda?

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## Types of Advocacy

- Education
- Organize your agency or group
- Join groups organized around an issue
- Letters to Editor or Op-ED
- Public Speaking
- Organized Rallies
- Neighborhood Caucuses
- Meetings
- Boycotts
- Action Alerts
- Candidate forums
- Elections, voter registration, voter education, voter turnout.
- PAFCO Days Presence

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## Advocacy Do's and Don'ts

### Do

- Be **polite** and friendly
- Be **concise**
- Play on **emotion**
- Include **personal relevance**
- Mention that you are a voting **constituent**
- **Thank them**
- **Follow up** afterwards

### Do Not

- Do Not Be **Angry**
- Do Not Be **Hostile**
- Do Not Be **Threatening**
- Do Not Have **too much information**
- Do Not Take up **too much of their time**
- Do Not **Lose Credibility**
- Do Not Be **Dishonest or Exaggerate**

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## PAFCO CITIZEN ADVOCACY REMINDERS - Embracing your Citizenship - Register to vote and VOTE!!! IT'S ABOUT POWER!

- **Build relationships** and educate legislators about your issues. Citizen advocacy is about persuasion, not debate.
- **Why will public policy makers listen to you?**
  - You are a constituent from their district, who **VOTES!**
  - You have good reliable information.
  - You are representative of large group.
- **Know your audience of policy makers:**
  - **Tell your story. Be clear about the message.** Make each message simple and direct.
    - Identify yourself as voting constituent.
    - Identify your issue specifically, urge specific action.
    - Provide supporting facts or a story.
    - Specify action again
    - **And always ask how they plan to vote and why?**
    - Thank them.

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## Messaging Ideas

- Our message must be relentless:
  - Cuts don't make economic sense, demands for services are rising and are countercyclical to economic cycle.
  - And now it is not about the poor anymore but **all of us** in the middle class losing jobs, housing and suffering economic dislocation because of depth and breath of the recession.
  - Nobel Prize economist Joseph Stiglitz says that "cutting spending on programs that serve low-income people tends to reduce consumption — and thus state economic activity — by the full amount of the spending reduction."
  - Cuts to health and human services serving low income people, many whom are new to poverty and need, clearly makes no sense humanely or economically.
  - All options including strengthening revenues and closing tax exemption loopholes on those who can afford it during an economic downturn need to be considered before we cut basic programs for vulnerable children, families and adults.
  - We need to protect the common good including health and human services for those in need while balancing economic development and the future needs for the state.

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## What can we do together!

- Stay informed and ready to act.
- Know your legislators and let them know you want them to protect health and human services.
- Mobilize your community and groups.
- Talk about budget and policy process at your staff meetings, board meetings, and other groups meetings.
- Mobilize the people you serve in their interest.
- Be visible when you can at the legislature like PAFCO days with your sector group.
- Join PAFCO and another email alert list advocating for the needs of children and vulnerable adults.

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## It's about Coalition Building and Partnerships And Action

- Acting with others rather than alone!!!!
  - Mobilizing existing resources and creating new advocates
  - Flexibility and Action – How to create energy for action!
  - How to help and get help?
  - Building an email network and list – spreading the word!
- Our goals remain steadfast:
- Stop and minimize cuts to vulnerable populations to fullest extent possible,
  - Try to avoid destruction of health and human services infrastructure since it is so costly to restore and rebuild,
  - Present options.
  - Patience, perseverance, and persistence.

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## Finding our Power as Citizens

- Human Dignity and Justice
- We can make it better for ourselves, our children and grandchildren and leave a legacy of community and justice.
- Community - We are not alone, we are in this together and together we are powerful, we can change the world.
- Find your *passion* --- that cause or group that motivates you to act.
- Find your *voice* --- your role, your way to be an effective citizen advocate.
- Find your *power* --- connect with others to give practical ways to have real impact for your causes.

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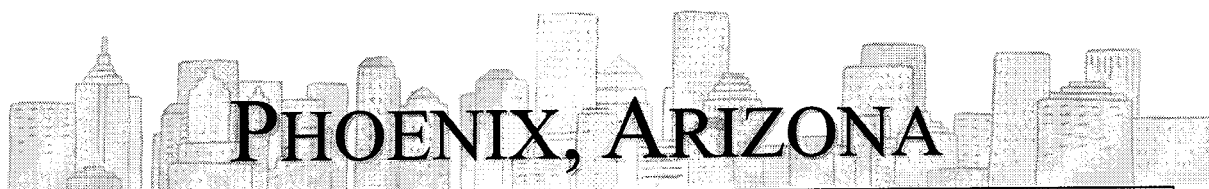
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HIGHLIGHTS FROM THIS YEAR'S SURVEY			
DURING THE LAST YEAR...	HUNGER	HOMELESSNESS	
	INDIVIDUALS & HOUSEHOLDS WITH CHILDREN	INDIVIDUALS	HOUSEHOLDS WITH CHILDREN
REPORTED CAUSES	<ul style="list-style-type: none"> <li>• UNEMPLOYMENT</li> <li>• POVERTY OR LACK OF INCOME</li> <li>• HIGH TRANSPORTATION COSTS</li> </ul>	<ul style="list-style-type: none"> <li>• FAMILY DISPUTES</li> <li>• SUBSTANCE ABUSE</li> <li>• UNEMPLOYMENT</li> </ul>	<ul style="list-style-type: none"> <li>• DOMESTIC VIOLENCE</li> <li>• UNEMPLOYMENT</li> <li>• EVICTIONS</li> </ul>

#### Profile of Hunger in Phoenix:

During the last year, the number of requests for food assistance in Arizona has increased **35 percent**. Providers are reporting a significant increase in the number of new persons seeking assistance, especially among working individuals and families. Moreover, there has been an increase in the frequency with which persons access food assistance programs.

In an effort to combat the rising amount of hunger in the Phoenix region, two innovative programs work to provide food assistance to low-income residents. The statewide Arizona Gleaning Project **rescues and distributes food that would otherwise be wasted**. Inspectors from the State Department of Agriculture identify potential donors of surplus products. These products are then harvested by state and county prison inmates and distributed to hungry persons across the state by a network of food banks. The Putting the Pieces Together Initiative, run by the Desert Mission Food Bank, **seeks to educate clients about the nutritional value of a wide variety of foods through hands-on education**. A full-time professional chef conducts live demonstrations at the food bank to educate clients about the nutritional value of the products distributed and different options for food preparation. Recently, the program has been expanded through outreach efforts to other federal and state programs targeting low-income persons.

#### Profile of Homelessness in Phoenix:

Phoenix reported a **two percent decrease in homelessness** during the last year. However, the number of homeless families using emergency shelter and transitional housing increased during the same period. A Regional Plan to End Homelessness was developed in 2002 and updated in 2005 by the Continuum of Care Regional Committee to End Homelessness. The Continuum of Care is currently developing a revised Ten Year Regional Plan, with a focus on subpopulations including the chronically homeless and homeless families.

Two initiatives in Phoenix aim to prevent homelessness. The City's Human Services Department provides assistance for persons at risk of homelessness. Caseworkers at four Family Services Centers **provide a range of assistance to promote self-sufficiency for adults and families**. Tangible services such as direct financial assistance for utilities and housing, emergency food and transportation assistance are offered, as well as budgeting, education and job training referrals, skill development and counseling. To aid families affected by the mortgage foreclosure crisis, the City of Phoenix is **adopting programs and policies under the Housing and Economic Recovery Act**, particularly the Neighborhood Stabilization Program.

MAYOR: MAYOR PHIL GORDON	CITY WEBSITE: <a href="http://WWW.PHOENIX.GOV">WWW.PHOENIX.GOV</a>
TOTAL POPULATION: 1,513,777	MEDIAN HOUSEHOLD INCOME: \$48,061
MEDIAN MONTHLY HOUSING COSTS: \$1,059	PERCENT BELOW POVERTY LINE: 17.80%

# Arizona

## Demographics, Poverty and Food Insecurity

Population (2007)	
Total People	6,338,755
Children (Under Age 18)	1,670,555
Income and Poverty (2007)	
Median Household Income (2007)	\$49,889
Rank Among States	23
Total People Living In Poverty	881,257
Poverty Rate	14.2%
Rank Among States (Highest to Lowest)	15
Children (Under Age 18) Living In Poverty	330,910
Child Poverty Rate	20.2%
Rank Among States (Highest to Lowest)	13
Total People Living Below 185% of Federal Poverty Level	1,889,452
Food Insecurity Among Households (2005-2007, 3-Year Averages)	
Number of Households that are Food Insecure	283,000
Percent of Households that are Food Insecure	12.0%
Number of Households that are Very Low Food Secure	108,000
Percent of Households that are Very Low Food Secure	4.6%

## Federal Nutrition Programs

School Breakfast Program (School Year 2006-2007)	
Average Daily Student Participation	209,018
Free and Reduced-Price Students	167,112
Paid Students	41,906
Change in Free and Reduced-Price Participation in Last 10 Years	69.3%
Free and Reduced-Price Student Participation Rate (Compared to School Lunch Participation)	40.9
Rank Among States	32
Additional Free and Reduced-Price Students Served if Participation Rate Reached 60%	78,022
Additional Federal Dollars State Would Receive if Participation Rate Reached 60%	\$16,722,505
Number of Schools Participating	1,477
School Participation Rate (Compared to Number of Schools Serving Lunch)	90.6%
Federal Funding for School Breakfast	\$45,090,216
School Breakfast Mandate in State Law (Yes/No)	No
National School Lunch Program (School Year 2006-2007)	
Average Daily Student Participation	630,718
Free and Reduced-Price Students	408,557
Paid Students	222,162
Number of Schools Participating	1,630
Federal Funding for School Lunch	\$174,091,774
Summer Nutrition Participation (July 2007)	
Average Daily Summer Nutrition Participation in July	37,689
July Summer Food Service Participation	7,156
July National School Lunch Participation in Free and Reduced-Price Lunch	30,533
Change in Average Daily Summer Nutrition Participation in Last 10 Years	15.1%
Low-Income Participation Rate (Compared to Regular Year Free and Reduced-Price School Lunch)	10.0
Rank Among States	38
Additional Low-Income Children Served if Participation Rate Reached 40%	113,804
Additional Federal Dollars State Would Receive if Participation Rate Reached 40%	\$6,858,949
Number of Summer Food Service Sponsors	34
Number of Summer Food Service Sites	163
Federal Funding for Summer Food Service Program	\$2,192,731

# Arizona Continued

<b>SNAP/Food Stamp Program (FY 2007)</b>	
Average Monthly Participation (Individuals)	544,688
Change in Participation in Last 5 Years	43.8%
Average Monthly Benefit per Person	\$98.95
Participation Rate of Eligible Persons (FY 2005)	66%
Rank Among States	23
Participation Rate of Eligible Working Poor (FY 2005)	54%
Federal Funding for SNAP/Food Stamps	\$646,750,299
<b>Special Supplemental Nutrition Program for Women, Infants and Children (WIC) (FY 2007)</b>	
Average Monthly Participation	186,470
Women	47,891
Infants	52,670
Children	85,908
Change in Participation in Last 10 Years	27.9%
Federal Funding for WIC	\$114,299,365
<b>Child and Adult Care Food Program (CACFP) (FY 2007)</b>	
Number of Participating Family Child Care Homes	3,452
Family Child Care Home Average Daily Participation of Children	11,400
Change in Family Child Care Daily Participation in Last 10 Years	2.5%
Number of Participating Child Care Centers (Includes Head Start)	674
Child Care Center Average Daily Participation of Children (Includes Head Start)	34,389
Change in Center Daily Participation in Last 10 Years	7.6%
Federal Funding for CACFP	\$40,132,024
<b>The Emergency Food Assistance Program (TEFAP) (FY 2007)</b>	
Federal Entitlement Funding	\$2,602,776
Federal Bonus Commodity Funding	\$950,508
Administrative Funding	\$1,201,368
<b>Commodity Supplemental Food Program (CSFP) (FY 2007)</b>	
Average Monthly Participation	14,355
Federal Funding for CSFP	\$3,572,979

## State Economic Security Policies

<b>Minimum Wage (2007)</b>	
State Minimum Wage	\$6.75
<b>Earned Income Tax Credit (EITC) (2007)</b>	
State EITC (Yes/No)	No
Refundable (Yes/No)	No
<b>Temporary Assistance to Needy Families (TANF) (FY 2006)</b>	
Average Monthly Participation (FY 2006)	87,374
Adults	21,710
Children	65,664
Maximum Monthly Benefit per 3-Person Family (FY 2005)	\$347
Federal and State Funding for Cash Assistance	\$137,114,201

**Prevalence of Household-Level Food Insecurity and Very Low Food Security by  
State 2005-2007 (Average)**

State	Food Insecurity (Low or Very Low Food Security)		Very Low Food Security	
	Percent	Rank	Percent	Rank
Alabama	11.9	19	4.3	22
Alaska	12.4	15	4.8	11
Arizona	12.0	18	4.6	14
Arkansas	14.4	4	4.9	8
California	10.2	29	3.5	33
Colorado	11.0	25	4.6	14
Connecticut	8.8	43	3.2	45
Delaware	8.6	45	3.3	42
District of Columbia	11.9	19	3.8	28
Florida	9.0	41	3.4	37
Georgia	13.0	7	5.0	5
Hawaii	8.4	47	2.9	48
Idaho	11.4	24	3.4	37
Illinois	9.5	37	3.5	33
Indiana	10.2	29	3.6	31
Iowa	11.7	22	4.5	18
Kansas	13.0	7	4.7	12
Kentucky	12.7	12	4.5	18
Louisiana	11.7	22	4.6	14
Maine	13.3	5	5.9	2
Maryland	8.6	45	3.4	37
Massachusetts	8.0	48	3.2	45
Michigan	11.8	21	4.5	18
Minnesota	9.5	37	3.7	30
Mississippi	17.4	1	7.0	1
Missouri	12.9	10	4.9	8
Montana	9.5	37	3.8	28
Nebraska	9.5	37	3.4	37
Nevada	10.4	28	4.0	24
New Hampshire	7.7	50	2.3	50
New Jersey	8.8	43	2.7	49
New Mexico	15.0	2	4.9	8
New York	9.9	34	3.3	42
North Carolina	12.6	13	4.0	24
North Dakota	6.5	51	2.2	51
Ohio	12.2	17	4.5	18
Oklahoma	13.0	7	4.7	12
Oregon	12.4	15	5.5	3
Pennsylvania	10.0	33	3.4	37
Rhode Island	10.9	26	3.9	27
South Carolina	13.1	6	5.0	5
South Dakota	9.7	36	3.6	31
Tennessee	12.8	11	4.2	23
Texas	14.8	3	5.0	5
Utah	12.5	14	5.1	4
Vermont	10.2	29	4.6	14
Virginia	8.0	48	3.0	47
Washington	10.1	32	3.5	33
West Virginia	10.7	27	4.0	24
Wisconsin	9.0	41	3.5	33
Wyoming	9.9	34	3.3	42

E-01345A-08-0172

**ORIGINAL**

**ARIZONA CORPORATION COMMISS**

**UTILITY COMPLAINT FORM RECEIVED**

**Investigator:** Richard Martinez

**Phone:** [REDACTED]

**Fax:** [REDACTED]

**Priority:** Respond Within Five Days

AZ CORP COMMISSION

DOCKET CONTROL

**Opinion**      **No.** 2008      71770

**Date:** 9/29/2008

**Complaint Description:**      08A Rate Case Items - Opposed  
N/A Not Applicable

**Complaint By:**      **First:** Claudia      **Last:** Matanyi

**Account Name:** Claudia Matanyi

**Home:** [REDACTED]

**Street:** [REDACTED]

**Work:** [REDACTED]

**City:** Phoenix

**CBR:** [REDACTED]

**State:** AZ      Zip: 85000

**is:** E-Mail

**Utility Company:** Arizona Public Service Company

**Division:** Electric

**Contact Name:** [REDACTED]

**Contact Phone:** [REDACTED]

**Nature of Complaint:**

Received the following email:

We are on retirement and this summer have had \$400 electric bills. If APS raises their rates any higher, we will be unable to pay them based on our fixed income. We do everything in our power to lower our rates. We keep our thermostat at 80 degrees, we have protective solar screens on our windows, blinds, 13 florescent bulbs, and we do all of our laundry, run the dishwasher, and out pool all on the off peak hours. We are not an all electric house either. We have a gas water heat, stove/oven, and dryer. We have had our AC system checked, and we use a digital thermostat. Our house is only 9 years old and has higher R-ratings on windows and doors as well. These rates are extremely high for all of the conservatory methods we are currently using. There is no reason the rates need to continuously be raised. We have also notice an extreme amount of additional charges above and beyond our actual electric usage. We would lover to know what all of these charges are and what the money is being used for.

\*End of Complaint\*

**Utilities' Response:**

na

\*End of Response\*

**Investigator's Comments and Disposition:**

I emailed the following to customer:

Re: Docket No. E-01345A-08-0172

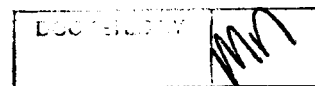
Dear Ms. Claudia Matanyi,

Your correspondence regarding the Arizona Public Service Company rate case will be placed on file with the Docket Control Center of the Arizona Corporation Commission to be made part of the record. The

Arizona Corporation Commission

**DOCKETED**

OCT --1 2008



E-01345A-08-0172

**ORIGINAL**

**ARIZONA CORPORATION COMMISS**

**UTILITY COMPLAINT FORM RECEIVED**

**Investigator:** Deb Reagan

**Phone:** [REDACTED]

SEP 26

**Fax:** [REDACTED]

**Priority:** Respond Within Five Days

AZ CORP COMMISSION  
DOCKET CONTROL

**Opinion No. 2008 71729**

**Date:** 9/26/2008

**Complaint Description:** 08A Rate Case Items - Opposed  
N/A Not Applicable

**Complaint By:** **First:** Constance A. **Last:** Nuzzi

**Account Name:** Constance A. Nuzzi

**Home:** (000) 000-0000

**Street:** [REDACTED]

**Work:**

Arizona Corporation Commission

**City:**

Phoenix

**CBR:**

**DOCKETED**

**State:**

AZ

**Zip:** 85023

**is:**

SEP 27 2008

**Utility Company:** Arizona Public Service Company

**Division:**

Electric

**Contact Name:**

For assignment

**Contact Phone:** n/a

**Nature of Complaint:**

\*\*\*\*\* E-01345A-08-0172 \*\*\*\*\*

Customer sent the following correspondence -

Dear Members of the Commission:

This letter is in regards to the proposed application by APS for a 10.55% on average increases in their base rates, as a permanent increase.

I am a senior citizen on a fixed income of less then \$1500/month. Right now my electric bills are averaging 10-15% of my monthly income which leaves me little left for water, insurance, medical coverage, gas, food, etc. I have had to drop my prescription drug plan and my eye exams, glasses, physical therapy, dental are not covered.

I have a small patio home which is well insulated; my windows are tinted, my outside lights are solar; my lights bulbs in house have been changed to energy efficient ones; I only watch TV and cook large meals for the week on off-peak times; all my electric appliances (dishwasher, vacuum, etc) are used off-peak times; I do my own housework and gardening because I cannot afford to hire anyone to do these for me; I keep my air-conditioner on 80; my car is 15 years old and only use it when necessary. I don't know what else to do to conserve.

If this permanent base increase goes through, it will be a devastating hardship for me. Not only will the base increase, but also the 19 additional charges (fees, adjustment, surcharges, taxes, meter reading, etc.) will also increase. Which means my total bill will increase 15% overall.

I strongly request that during this time of recession, your Commission will give this matter very serious consideration. We the customers of APS do not have an alternate electric company to go to there is no competition.

**ARIZONA CORPORATION COMMISSION**  
**UTILITY COMPLAINT FORM**

---

I anxiously look forward to the final decision in the matter and hope it will be the right one for me and other people in the same predicament as mine, which are many.

Sincerely,  
Constance Nuzzi  
\*End of Complaint\*

**Utilities' Response:**

**Investigator's Comments and Disposition:**

Responded with the following -

Dear Ms. Nuzzi:

Your correspondence regarding the Arizona Public Service Company rate case will be placed on file with the Docket Control Center of the Arizona Corporation Commission to be made part of the record. The Commissioners will have the opportunity to consider your comments before a decision is rendered in the Company application.

The concerns raised in letters, phone calls and e-mails received from customers will assist staff in the investigation and review of the rate application. Staff's independent analysis of the utility and its rate request attempts to balance the interest of the utility and its customers.

Commission Staff is very sensitive to the burden that high utility rates can place on the consumer, and though constitutionally required to allow a fair return to the utility, does everything within its authority to protect the consumer.

Staff appreciates your comments and the interest taken on the proposed rate increase. If you should have any questions relating to this issue, please call me at [REDACTED]

Sincerely,

Deborah Reagan  
Public Utilities Consumer Analyst  
Utilities Division  
\*End of Comments\*

**Date Completed: 9/26/2008**

**Opinion No. 2008 - 71729**

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E-01345A-08-0172

Betty Camargo

From: Dottie Martin [dottiemartin1@cox.net]

Sent: Friday, August 08, 2008 1:06 PM

To: Hearings Division; Mayes-WebEmail; Mundell-Web; Gleason-WebEmail; Hatch-WebEmail; Pierce-Web

Subject: APS's Request for a Base Rate SURCHARGE

To Whom It May Concern:

It is my opinion that ARIZONA PUBLIC SERVICE COMPANY'S REQUEST FOR AN INTERIM RATE INCREASE (DOCKET NO. E-01345a-08-0172) be emphatically declined!!!

My first reaction is, "Of all the nerve!" As if we already don't pay enough for our service! However, this being said, because it is my REACTION, there are enough good reasons why this should not be granted.

With the state of the economy slowing steadily, the price of gas being outrageous, taxes on our homes skyrocketing this year, the housing market slowing to an almost standstill, inflation rising, fewer people emigrating to Arizona - which lowers business profits, and increasing unemployment being the major reasons NOT to slap more charges on its customers, APS is looking to increase their profits at a time when everybody else's are declining. And the media constantly shoving doom and gloom down our throats does not help either.

The definition of the word "surcharge," as found at [www.dictionary.com](http://www.dictionary.com), or any other dictionary in print, follows:

Dictionary.com Unabridged (v 1.1) - Cite This Source - Share This

**sur-charge** ☐ Audio Help [n. **sur**-chahrj; v. **sur**-chahrj, **sur**-chahrj] Pronunciation Key - Show IPA Pronunciation  
noun, verb, -charged, -charg-ing.

-noun

1. an additional charge, tax, or cost.
  2. an excessive sum or price charged.
  3. an additional or excessive load or burden.
  4. *Philately*.
    - a. an overprint that alters or restates the face value or denomination of a stamp to which it has been applied.
    - b. a stamp bearing such an overprint.
  5. act of surcharging.
- verb (used with object)
6. to subject to an additional or extra charge, tax, cost, etc. (for payment).
  7. to overcharge for goods.
  8. to show an omission in (an account) of something that operates as a charge against the accounting party; to omit a credit toward (an account).
  9. *Philately*. to print a surcharge on (a stamp).
  10. to put an additional or excessive burden upon.

[Origin: 1400-50; late ME *surcharge* (v.) < OF *surcharger*. See SUR<sup>1</sup>, CHARGE]

—Related forms

**sur-charge-or**, noun

Dictionary.com Unabridged (v 1.1)

Based on the Random House Unabridged Dictionary, © Random House, Inc. 2006.

As one can see by the definitions, a "surcharge" is considered "additional," "excessive," and even "an extra load or burden," which, to most people, means that the surcharge is not necessary in order to conduct business, but just another

8/11/2008



"additional" charge to increase profits for the company and its stockholders. Additionally, it's hardly the time to increase charges that do nothing but add another burden to the over-taxed, over-charged, fighting-to-keep-his-head-above-water consumer.

If the Arizona Corporation Commission is reviewing a request such as this, I would hope that they also review the profit margins and particularly the salaries of the higher paid employees. With unemployment rising daily, fewer working people are getting the much needed raises in salaries that they have been expecting. How is APS doing in the President, CEO, etc. salary department?

This increase is not only unnecessary, but extremely untimely. And please do not accept the "gas prices are higher" excuse. APS could save thousands of dollars by decreasing their advertising budget, since they have no need to advertise. Everyone needs electricity, and we are subjected to extremely few options when it comes to choosing our electric service company. They virtually have no competition!

Interestingly, as a local REALTOR®, I find it worth noting that clients often perceive APS as the "more expensive" electric company, and often ask to look at homes in a district where SRP services exist! If SRP can do it, why can't APS?

We are already being "surcharged" to death! Just take a plane these days! Therefore, I request that you please DO NOT approve this surcharge request.

One other incidental thing that you can pass along to APS. In their hearing notice, they keep referring to "APS' request." The proper punctuation should be "APS's request" (apostrophe "s") since an apostrophe after an "s" signifies that the preceding word that ends in "s" is plural. "APS" is not a plural word, so should use apostrophe "s" even though the word ends in "s." (In my past life I was an English teacher! However, it doesn't mean that this email is flawless.)

Sincerely,

Dottie Martin  
6701 E. Camino de los Ranchos  
Scottsdale, AZ 85254  
[realestate@dottiemartin.com](mailto:realestate@dottiemartin.com)

## **CYNTHIA ZWICK**

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1940 E. Luke Avenue  
Phoenix, AZ 85016

602.432.3464 (cell)  
cazwick@qwest.net

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### **SUMMARY**

An accomplished executive with 23 years non-profit, association management experience. Management experience includes, personnel, non-dues revenue generation, grant analysis and development, program conceptualization and implementation, and systems analysis and design. Excellent analytical, interpersonal communication and individual and team development skills. Creative and collaborative leadership style with ability to inspire individuals and organizations to grow programmatically while increasing revenues.

### **SELECTED ACCOMPLISHMENTS**

- Designed and implemented processes in Lawyer Regulation to insure fair, prompt handling of bar complaints, resulting in consistent and compassionate treatment of all involved, thereby increasing efficiency and confidence in the lawyer discipline system.
- Conceptualized and introduced a bi-monthly electronic newsletter to all 16,000 State Bar members, resulting in enhanced communication and organizational value. Of total membership, 30 opted to unsubscribe.
- Working with outside technical experts, successfully designed and executed first electronic fund raising effort for the Arizona Foundation for Legal Services & Education, resulting in approximately \$50,000 in new gifts.
- Improved member services through more efficient use of technology, organizational systems and personal outreach.

### **PROFESSIONAL EXPERIENCE**

#### **Arizona Community Action Association**

**September 2003**

##### **Executive Director**

Arizona Community Action Association (ACAA), is a non-profit organization working to create systems to support individuals and tools to assist individuals moving to and sustaining self-sufficiency. Working with a Board of Directors, Executive Director oversees the operational issues, writes and manages State and Federal contracts, leads educational and outreach efforts, membership development, and efforts to inform all members of the Arizona community about the issues facing low-income and working poor individuals and families in order to ensure adequate support, with the ultimate goal of ending poverty in Arizona.

#### **State Bar of Arizona**

#### **Arizona Foundation for Legal Services & Education**

**Phoenix, AZ 1980 – May 2003**

##### **Executive Director**

**March 2000-May 2003**

Lead both professional organizations, insuring high quality service and programming for all members of the State Bar of Arizona, a mandatory membership organization, as well as participating in the improvement of legal and justice system services available to the greater Arizona community.

Directed the operations of both organizations; advised both Boards with respect to all programs and activities; formulated and recommended policies and programs, including a \$9 million budget and budgeting strategies; executed all decisions of the Boards and their various committees; directed programming, projects and major activities of the 100 person staff; responsible for the hiring of personnel, maintenance of salary administration plan and procedures; promoted interest and active participation in the Bar and Foundation activities, resulting in increased funding; created and maintained effective relationships with other public and private organizations; supervised lawyer regulation and government relations efforts; directed the fund raising and grants analysis process for the Foundation.

Assistant Executive Director – Member Services

1995—2000

Member of the Senior Management Team, reported to the Executive Director, worked closely with the Board of Governors. Directed the work of nine diverse divisions of service including:

- Continuing Legal Education
- Mandatory Continuing Legal Education
- Board of Legal Specialization
- Committees, Sections and the Young Lawyers Division
- Community, Media Relations and Publications
- Member Assistance Program
- Law Office Management Assistance Program
- Annual Convention, and
- Tucson Office

Associate Director

1991 – 1995

Director, Programs and Public Services Division

1987 – 1991

Convention Coordinator

1984 – 1987

Committee and Section Administrator/CLE Seminar Coordinator

1980 – 1984

Coordinator, Western States Bar Conference

1986 – 1992

Managed all the logistical and programmatic arrangements for a 14 state, member organization.

Central and Eastern European Law Initiative (CEELI), Consultant to Macedonian Bar Association

2000

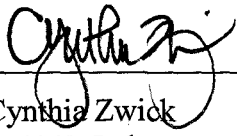
## **EDUCATION AND TRAINING**

- Bachelor of Arts, Political Science  
Ohio Wesleyan University, Delaware, Ohio
- Wroxton College, Wroxton, England (a Fairleigh Dickinson University exchange program)

## **PROFESSIONAL AFFILIATIONS**

- Member, National Low Income Energy Consortium, Board of Directors
- Collaboration for a New Century, Board of Directors
- Member, Governor's Task Force on Earned Income Tax Credit
- Valley Leadership, Class XXV
- Member, Arizona Society of Association Executives
- Past Member, National Association of Bar Executives  
Board of Directors, Delegate-at-Large
- Member, Special Committee on Leadership Development
- Chair, Administration and Finance Section
- Chair, Program Committee
- Arizona Town Hall, Member
- Past Member, Greater Phoenix Chamber of Commerce
- Member, Greater Phoenix Crime Coalition

RESPECTFULLY SUBMITTED this December 18, 2008

By   
Cynthia Zwick  
1940 E. Luke Avenue  
Phoenix, AZ 85016

Original and 13 copies hand delivered December 18, 2008 to:  
Arizona Corporation Commission  
Docket Control  
1200 West Washington  
Phoenix, AZ 85007

Copies To:

Thomas L. Mumaw  
Meghan H. Grabel  
Arizona Public Service Company  
P.O. Box 53999, Mail Station 8695  
Phoenix, AZ 85004-3992

Ernest G. Johnson  
Director, Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007

Janice Alward  
Chief Counsel, Legal Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007

Lyn Farmer  
Chief Hearing Officer, Hearing Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007

Timothy Hogan  
AZ Center for Law  
202 E. McDowell, 153  
Phoenix, AZ 85004

Daniel Pozefsky  
RUCO  
1110 W. Washington, Ste. 220  
Phoenix, AZ 85007

Lawrence V. Robertson, Jr.  
P.O. Box 1448  
Tubac, AZ 85646

Scott Canty  
General Counsel Hopi Tribe  
P.O. Box 123  
Kykotsmovi, AZ 86039

C. Webb Crockett  
Fennemore Craig  
3003 North Central, Suite 2600  
Phoenix, AZ 85012-2913

Michael L. Kurtz  
Boehm, Kurtz & Lowry  
36 East Seventh Street, Suite 1510  
Cincinnati, OH 45202

Kurt J. Boehm  
Boehm, Kurtz & Lowry  
36 East Seventh Street, Suite 1510  
Cincinnati, OH 45202

Lieutenant Colonel Karen White  
139 Barnes Drive  
Tyndall AFB, Florida 32403

Nicholas Enoch  
349 N. Fourth Avenue  
Phoenix, AZ 85003

Jeffrey Woner  
KR Saline & Associates PLC  
160 N. Pasadena - 101  
Mesa, AZ 85201

Michael A. Curtis  
501 East Thomas Road  
Phoenix, AZ 85012

David Berry  
P.O. Box 1064  
Scottsdale, AZ 85252-1064

Jeff Schlegl  
SWEEP  
1167 W. Samalayuca Dr.  
Tucson, AZ 85704-3224

Gary Yaquinto  
Arizona Utility Investors Assoc.  
2100 N. Central, Suite 210  
Phoenix, AZ 85004

John Moore, Jr.  
7321 N. 16<sup>th</sup> Street  
Phoenix, AZ 85020

Jay Moyes  
Moyes Storey  
1850 N. Central, 1100  
Phoenix, AZ 85004